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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: February 07, 2007

#### New Model for Elderly Care in Planning

¶1. Minister for Economy and Labor Martin Bartenstein announced he is planning to reform the system of care for the elderly. In an interview with independent daily "Der Standard," Bartenstein outlined a new work model for caregivers, similar to that already in existence for household and hospital staff. The plan would make two-week shifts with two caregivers legal; it would also apply to foreigners. The high number of foreigners working illegally as caregivers in Austria was a central issue in the fall elections. The sticking point in the new care model for the elderly is its cost. Although already greatly reduced - a projected 2,500 to 3,000 as opposed to calculations based on a normal 40-hour workweek, which would generate costs of up to 10,000 euros a month - the sum is still too large for average pensioners to afford. Minister Bartenstein, in the interview with "Der Standard" admits that, so far, he has no answer to the question of financing. He pointed out that it was not his job to develop a model for financing the new proposal. Bartenstein said his Ministry had worked out a proposal to legalize foreign caregivers under Austrian work laws and provide amnesty for families that have been employing foreign caregivers. The Minister criticized financing models such as mandatory private care insurance because this would push up the non-wage labor costs.

#### Gusenbauer to Meet Merkel in Berlin

¶2. On Wednesday, Federal Chancellor Alfred Gusenbauer will make his first official trip abroad, traveling to Berlin to meet German Chancellor and EU Council Chair Angela Merkel, primarily to discuss EU issues. Gusenbauer's decision to make Berlin the destination of his first official visit is a break with diplomatic tradition - in the past it was the custom for Austrian Chancellors to travel to Switzerland first.

#### Brussels Yields in CO2 Dispute

¶3. The German government had originally announced its intention to make environmental issues a central point of its EU presidency. However, for the time being, German Chancellor Angela Merkel, in her capacity as EU Council Chair, has protested against the rigid and expensive plans to reduce CO2 emission in new cars as initiated by EU Commissioner for Environmental Issues, Stavros Dimas. The EU Commissioner has compromised with regard to CO2 limits - they are to be set at 130 grams per kilometer, as opposed to the 120 grams originally proposed by Dimas - starting by 2012. However, Dimas also pushed through an agreement making reduction of CO2 emissions mandatory. With this measure, the EU acknowledges that, so far, any attempt to

get automobile producers to commit voluntarily to reducing the CO2 emissions until 2008 has failed, writes centrist daily "Die Presse." Now, Europe's automobile producers will get additional assistance: the so-called "integrative approach" with more modern tires, bio fuels, and more environmentally friendly driving techniques to help reduce CO2 emissions by another 10 grams per kilometer. Germany remains the number one target for EU reprimands regarding environmental standards: Not only is the German government opposing the CO2 emission guideline for cars because of the damage it will do to the German automobile industry, it also rejects demands for its domestic industry to reduce carbon dioxide emissions. Germany's EU Commissioner for Industry, G|nter Verheugen, is concerned that European enterprises could lose competitive edge on the global market. The industry argues that Europe has already reduced its emissions, while the true culprits with regard to environmental pollution are in Asia, reports "Die Presse."

#### Mecca Summit: Saudi Arabia Demands Palestinian Unity

14. Saudi Arabian King Abdullah has called on Hamas and Fatah to form a government of national unity. The Palestinian summit, which started in Mecca on Tuesday, is seen as the last chance for reconciliation between the two hostile camps - and chances are considered fairly good. Pressure from outside is high and both sides seemed optimistic about formation of a government before they left for Saudi Arabia. King Abdullah emphasized his hope that "my brothers will not leave this sacred place without such an agreement and will swear to end the bloodshed," according to Saudi Arabian news agency SPA.

Spokesman Ghazi Hammad of Hamas was quoted by independent daily "Salzburger Nachrichten" as saying that there is a "good chance for an agreement" and that all the politically controversial issues such as the political program of a government of national unity, the division of positions and the establishment of a central organization of all Palestinian liberation organizations will be discussed in Mecca. Fatah sources said that almost all differences have been settled in secret talks. One central point - the recognition of Israel's right to existence - is still pending. Hamas is still refusing to acknowledge Israel even indirectly. "Salzburger Nachrichten" reports that the actual events in the Gaza Strip did not give much cause for optimism. About 42 activists of each party have been kidnapped by the other party and are now held captive. Also, agreements had been announced repeatedly by representatives of both sides since Hamas assumed power in early 2006, but had always fallen through at the last minute or been disrupted by attacks of armed groups. Even if there were to be an agreement between the political leaders of the conflict parties, it would still be doubtful whether the militant forces would adhere to it, concludes the daily.

#### US Releases Video

15. A video showing an accidental US attack on a convoy in Iraq which killed a British soldier is threatening to impair US-British friendship. Its release comes at a time when British distrust of its US ally has reached an all-time high. The US had originally not planned to release the controversial video, but the British tabloid "Sun" obtained a copy and published it on the internet. The Pentagon then yielded to the pressure of British legal authorities and released the video.

Centrist daily "Die Presse" reports that the controversial videotape shows a US fighter jet accidentally attacking a British military transport vehicle, killing 25-year-old Private Matty Hull with "friendly fire." In an attempt to prevent the two US soldiers involved from being persecuted, the US military initially refused to cooperate with British authorities, and kept the video under wraps. This incident, together with a general public feeling that the British are not being treated well by their US friends, has given rise to more pronounced criticism of US policy in Britain than has been uttered so far. At the end of 2006, the think tank "Chatham House" concluded that its closeness to the US administration had brought London "no tangible advantages." The author of the study recommended adjustments to British foreign policy after Blair with the aim of creating a balance between Europe and the US. However, that seems improbable: Blair's designated successor Gordon Brown has so far displayed an even more pronounced transatlantic preference than Tony Blair.

McCaw